

## HIGHLIGHTS OF THE OCTOBER 2004 LABOR FORCE SURVEY

### Overview

The country's employment situation recorded moderate improvement in October 2004, following a recovery last year. Overall, the level of employment grew slightly (0.6% or 180,000) with modest gain in agriculture, fishery and forestry sector (29,000), and services sector (215,000). Employment in the industry sector fell (66,000) due to the impact of the series of oil price hikes on the production sector of the economy.

Labor force continued to increase (1.4%) due to the country's rising working age population (2.4%). Despite this, the October unemployment rate rose marginally (0.7 percentage point) to 10.9 percent due to the decline in participation rate.

On a brighter note, improvement in the quality of employment was observed as indicated by the rise in wage and salary employment (2.1%). However, this was negated by the small decline in full-time employment (0.7%) and the increase in underemployment rate (1.1%).



### Labor Force

Labor force participation rate (LFPR) declined by 0.6 percentage point, from 67.1 percent to 66.5 percent in October 2004. However, the size of the labor force increased by 1.4 percent (+499,000) to 35.619 million. This is due to the continued rise in the country's working age population which grew by 2.4 percent (+1.257 million) over the period.

**TABLE 1 - KEY EMPLOYMENT INDICATORS  
PHILIPPINES: OCTOBER 2003-2004**  
(Preliminary Results)

Indicator	PHILIPPINE CONCEPT		ILO CONCEPT	
	Oct. 2004	Oct. 2003	Oct. 2004	Oct. 2003
Household Pop'n 15 Years Old and Over ('000)	53,562	52,305	53,562	52,305
Labor Force ('000)	35,619	35,120	34,176	33,736
Employed Persons ('000)	31,733	31,553	31,733	31,553
<i>Agn, Fishery and Forestry</i>	11,770	11,741	11,770	11,741
<i>Industry</i>	4,882	4,948	4,882	4,948
<i>Services</i>	15,080	14,865	15,080	14,865
Unemployed Persons	3,886	3,567	2,443	2,183
Underemployed Persons	5,357	4,989	5,357	4,989
LFPR (%)	66.5	67.1	63.8	64.5
Unemployment Rate (%)	10.9	10.2	7.1	6.5
Underemployment Rate (%)	16.9	15.8	16.9	15.8

Source: National Statistics Office, Labor Force Survey.

**TABLE 2 - SUMMARY STATISTICS ON LABOR FORCE  
PHILIPPINES: OCTOBER (2003-2004)**  
(in thousands except percent)

Indicator	Total Household Population 15 Yrs. Old and Over		Labor Force Participation Rate (%)		Total Labor Force (LF)		Year-on-Year Change in LF	
	2004	2003	2004	2003	2004	2003	Number	Growth Rate (%)
<b>Sex</b>	<b>53,562</b>	<b>52,305</b>	<b>66.5</b>	<b>67.1</b>	<b>35,619</b>	<b>35,120</b>	<b>499</b>	1.4
Men	26,706	26,063	82.9	83.5	22,140	21,760	380	1.7
Women	25,856	26,242	50.2	50.9	13,478	13,360	118	0.9
<b>Age Group</b>	<b>53,562</b>	<b>52,305</b>	<b>66.5</b>	<b>67.1</b>	<b>35,619</b>	<b>35,120</b>	<b>499</b>	1.4
15-24 years old	16,180	15,926	49.7	50.7	8,036	8,077	(41)	(0.5)
25-54 years old	29,341	28,654	78.0	78.7	22,882	22,558	324	1.4
55 years old and over	8,032	7,725	58.5	58.1	4,699	4,488	211	4.7
<b>Region</b>	<b>53,562</b>	<b>52,305</b>	<b>66.5</b>	<b>67.1</b>	<b>35,619</b>	<b>35,120</b>	<b>499</b>	1.4
NCR	7,600	7,514	64.0	67.1	4,866	4,918	(52)	(1.1)
CAR	988	950	68.3	65.5	675	646	29	4.5
Region I	2,886	2,818	64.8	68.0	1,870	1,835	35	1.9
Region II	2,199	1,920	68.6	69.9	1,509	1,343	166	12.4
Region III	5,593	5,492	64.3	64.0	3,597	3,516	81	2.3
Region IV-A	6,493	6,354	65.7	65.8	4,269	4,242	27	0.6
Region IV-B	1,469	1,431	71.3	69.8	1,047	999	48	4.8
Region V	3,043	3,005	68.4	68.2	2,080	2,049	31	1.5
Region VI	4,412	4,284	66.3	68.7	2,927	2,944	(17)	(0.6)
Region VII	3,851	3,854	65.5	65.4	2,524	2,520	4	0.2
Region VIII	2,463	2,389	72.1	73.2	1,776	1,749	27	1.5
Region IX	1,970	1,932	65.9	65.7	1,298	1,270	28	2.2
Region X	2,521	2,418	73.0	74.5	1,841	1,802	39	2.2
Region XI	2,602	2,532	68.6	68.7	1,785	1,739	46	2.6
Region XII	2,308	2,233	68.8	69.1	1,588	1,544	44	2.8
ARMM	1,660	1,722	56.5	57.0	983	982	1	0.1
Caraga	1,504	1,455	68.5	70.1	1,030	1,020	10	1.0

\* Preliminary

Notes: 1. Details may not add to totals due to rounding of figures.

2. Estimates based on the revised population benchmark using the 1995 Census of Population results.

Source of data: National Statistics Office, Labor Force Survey.

## Employment

Total employed persons in October increased by 180,000 from a year earlier to reach 31.733 million. This implies a year-on-year growth rate of 0.6 percent.

The modest improvement could be attributed to a higher base in October 2003 which represents a recovery from the previous year's (October 2002) slump.

Year	Total Employment ('000)	Increment (net employment) ('000)
2001	30,085	
2002	30,251	166
2003	31,553	1,302
2004	31,733	180

- Employment in the combined agriculture, fishery and forestry sector was up slightly by 0.2 percent (+29,000), increasing from 11.741 million to 11.770 million in October 2004.
- Industry sector employment at 4.882 million fell short by -66,000 from the 2003 level as employers felt the impact of oil price hikes. Slump in employment was noted in mining and quarrying (-5,000) manufacturing (-25,000) and construction (-44,000). Electricity, gas and water posted the only notable gain (8,000).
- The services sector, which grew by 1.4 percent (215,000), accounted for the bulk of employment creation during this period. Wholesale and retail trade

led the way (+130,000) followed by transport, storage and communications (+93,000), public administration and defense, compulsory social security (+68,000) and education (+44,000). These gains offset the losses recorded in other sub-sectors notably in financial intermediation (-31,000), private households with employed persons (-29,000) and other community, social and personal services (-41,000).

- Full-time employment (those who worked 40 hours or more in the past week) went down slightly by 0.7 percent (-143,000). On the other hand, the number of persons in part-time employment rose by 1.3 percent (+140,000).
- Much of the growth in employment occurred among wage and salary workers which grew by 2.1 percent (+343,000) over the period. In contrast, decline in employment was observed among own-account workers (-158,000) and unpaid family workers (-4,000).
- Employment growth was mixed across regions. Notable gains were observed in Region II (+146,000), Region XI (+43,000) and Region X (+36,000). On the other hand, losses were recorded in NCR (-104,000), Region VI (-41,000), Region VIII (-2,000) and ARMM (-59,000).

**TABLE 4 - SUMMARY STATISTICS ON EMPLOYMENT  
PHILIPPINES: OCTOBER (2003-2004)**

(in thousands except rates)

Indicator	2004	2003	Increment	Year-on-Year Growth Rate (%)
<b>LABOR FORCE POPULATION</b>	<b>35,619</b>	<b>35,120</b>	<b>499</b>	<b>1.4</b>
<b>EMPLOYED PERSONS</b>	<b>31,733</b>	<b>31,553</b>	<b>180</b>	<b>0.6</b>
<b>SECTOR</b>				
<b>Agriculture, Fishery and Forestry</b>	<b>11,770</b>	<b>11,741</b>	<b>29</b>	<b>0.2</b>
<b>Industry</b>	<b>4,882</b>	<b>4,948</b>	<b>(66)</b>	<b>(1.3)</b>
Mining and Quarrying	96	101	(5)	(5.0)
Manufacturing	3,021	3,046	(25)	(0.8)
Electricity, Gas and Water	121	113	8	7.1
Construction	1,644	1,688	(44)	(2.6)
<b>Services</b>	<b>15,080</b>	<b>14,865</b>	<b>215</b>	<b>1.4</b>
Wholesale and Retail Trade	5,791	5,661	130	2.3
Hotels and Restaurants	798	793	5	0.6
Transport, Storage & Communications	2,445	2,352	93	4.0
Financial Intermediation	298	329	(31)	(9.4)
Real Estate, Renting & Business Activities	703	716	(13)	(1.8)
Public Administration & Defense, Compulsory Social Security	1,450	1,382	68	4.9
Education	959	915	44	4.8
Health and Social Work	360	370	(10)	(2.7)
Other Community, Social & Personal Services	810	851	(41)	(4.8)
Private Households with Employed Persons	1,465	1,494	(29)	(1.9)
Extra-Territorial Organizations	1	2	(1)	(50.0)
<b>CLASS OF WORKER</b>				
Wage and Salary Workers	16,408	16,065	343	2.1
Own-Account Workers	11,639	11,797	(158)	(1.3)
Unpaid Family Workers	3,686	3,690	(4)	(0.1)
<b>HOURS OF WORK</b>				
Less than 40 Hours (Part-Time Employment)	11,211	11,071	140	1.3
40 Hours and Over (Full-Time Employment)	19,947	20,090	(143)	(0.7)
Did Not Work	574	392	182	46.4
<b>REGION</b>				
NCR	3,973	4,077	(104)	(2.6)
CAR	614	600	14	2.3
Region I	1,672	1,647	25	1.5
Region II	1,429	1,283	146	11.4
Region III	3,148	3,124	24	0.8
Region IV-A	3,707	3,684	23	0.6
Region IV-B	963	939	24	2.6
Region V	1,919	1,913	6	0.3
Region VI	2,670	2,711	(41)	(1.5)
Region VII	2,224	2,223	1	0.0
Region VIII	1,611	1,613	(2)	(0.1)
Region IX	1,221	1,198	23	1.9
Region X	1,722	1,686	36	2.1
Region XI	1,629	1,586	43	2.7
Region XII	1,435	1,409	26	1.8
ARMM	870	929	(59)	(6.4)
Caraga	934	931	3	0.3

Notes: 1. Details may not add to totals due to rounding of figures.

2. Estimates based on the revised population benchmark using the 1995 Census of Population results.

Source of data: National Statistics Office, Labor Force Survey.

## Unemployment

Unemployment rate in October 2004 stood at 10.9 percent, up slightly by 0.7 percentage point from 10.2 percent recorded in October 2003. This brings the total number of unemployed persons to 3.886 million, an increase of 319,000 from the previous year's level. The rise in unemployment rate was attributed to the expansion in the country's supply of labor (1.4%) which exceeded the growth in employment (0.6%) as noted earlier.

- The rise in unemployment rate cuts across sex and age groups but was observed more apparent among women (10.3% to 11.7%) and the youth (19.7% to 21.7%).
- The large majority of the unemployed were high school graduates (29.3%), college undergraduates (16.8%) and college graduates (17.3%).
- Survey results also showed that only one-third of the unemployed (33.2% or 1.289 million) actually looked for work during the reference period. The most common reasons cited for not doing so were: belief that no work is available (23.4%); awaiting results of previous job application (10.8%); and temporary illness/disability (14.8%).
- Unemployment rate increased in all regions, except Region XI. The most notable increase were observed in seven regions which include: NCR (17.1% to 18.4%), CAR (7.1% to 9.0%), ARMM (5.4% to 7.2%), Region III (11.1% to 12.5%), Region IV-B (6.0% to

8.0%), Region V (6.6% to 7.7%) and Region VIII (7.8% to 9.3%). There were no significant changes in other regions.

## Underemployed Persons

The incidence of underemployment (employed persons who expressed the desire for additional hours/additional jobs/new jobs) increased in October both in terms of rate (15.8% to 16.9%) and number (4.989 million to 5.367 million). Nearly two-thirds (62.7% or 3.361 million) of the total underemployed persons worked less than 40 hours a week or were considered visibly underemployed.

**TABLE 5 – NUMBER OF UNDEREMPLOYED PERSONS  
PHILIPPINES: OCTOBER (2003-2004)**  
(In thousands except percent)

Indicator	OCTOBER 2004*		OCTOBER 2003	
	Number	Percent	Number	Percent
Total Underemployed Persons	5,357	100.0	4,989	100.0
Working:				
Less than 40 hours	3,361	62.7	3,076	61.6
40 hours and over	1,996	37.2	1,913	38.3

*Note: Details may not add up to totals due to rounding.*

*\* Estimates and subject to change.*

*Source: National Statistics Office, Labor Force Survey.*

## ILO Concept of Unemployment

The concepts, definitions and measurements used in the Philippine Labor Force Survey are based largely on the guidelines and standards formulated by the International Labor Organization (ILO). This is true for all key indicators (such as the economically active population or labor force, employment and underemployment) except for unemployment.

**TABLE 6 - SUMMARY STATISTICS ON UNEMPLOYMENT  
PHILIPPINES: OCTOBER (2003-2004)**

(in thousands except percent)

Indicator	Total Unemployed Persons		Percent Share (%)		Unemployment Rate (%)	
	2004	2003	2004	2003	2004	2003
<b>Sex</b>	<b>3,886</b>	<b>3,567</b>	<b>100.0</b>	<b>100.0</b>	<b>10.9</b>	<b>10.2</b>
Men	2,311	2,187	59.5	61.3	10.4	10.1
Women	1,574	1,379	40.5	38.7	11.7	10.3
<b>Age Group</b>	<b>3,886</b>	<b>3,567</b>	<b>100.0</b>	<b>100.0</b>	<b>10.9</b>	<b>10.2</b>
15-24 years old	1,742	1,594	44.8	44.7	21.7	19.7
25-54 years old	1,790	1,654	46.1	46.4	7.8	7.3
55 years old and over	354	319	9.1	8.9	7.5	7.1
<b>Highest Grade Completed</b>	<b>3,886</b>	<b>3,567</b>	<b>100.0</b>	<b>100.0</b>	NA	NA
No grade completed	96	86	2.5	2.4	NA	NA
Elementary	798	718	20.5	20.1	NA	NA
- graduate	384	381	9.9	10.7	NA	NA
High school	1,666	1,501	42.9	42.1	NA	NA
- graduate	1,139	987	29.3	27.7	NA	NA
College	1,325	1,261	34.1	35.4	NA	NA
- graduate	671	637	17.3	17.9	NA	NA
<b>Did Not Look for work</b>	<b>2,597</b>	<b>2,458</b>	<b>66.8</b>	<b>68.9</b>	NA	NA
- believe no work available	909	815	23.4	22.8	NA	NA
- awaiting results of previous job application	421	449	10.8	12.6	NA	NA
- Temporary illness/disability	575	531	14.8	14.9	NA	NA
- bad weather	26	22	0.7	0.6	NA	NA
- waiting for rehire	269	304	6.9	8.5	NA	NA
- others	397	337	10.2	9.4	NA	NA
<b>Region</b>	<b>3,886</b>	<b>3,567</b>	<b>100.0</b>	<b>100.0</b>	<b>10.9</b>	<b>10.2</b>
NCR	893	841	23.0	23.6	18.4	17.1
CAR	61	46	1.6	1.3	9.0	7.1
Region I	198	188	5.1	5.3	10.6	10.2
Region II	80	60	2.1	1.7	5.3	4.5
Region III	449	392	11.6	11.0	12.5	11.1
Region IV-A	559	558	14.4	15.6	13.3	13.2
Region IV-B	84	60	2.2	1.7	8.0	6.0
Region V	161	136	4.1	3.8	7.7	6.6
Region VI	257	233	6.6	6.5	8.8	7.9
Region VII	300	297	7.7	8.3	11.9	11.8
Region VIII	165	136	4.2	3.8	9.3	7.8
Region IX	77	72	2.0	2.0	5.9	5.7
Region X	119	116	3.1	3.3	6.5	6.4
Region XI	156	153	4.0	4.3	8.7	8.8
Region XII	153	135	3.9	4.0	9.6	8.7
ARMM	68	53	1.7	1.5	7.2	5.4
Caraga	86	89	2.2	2.5	9.3	8.7

Notes: 1. Details may not add to totals due to rounding of figures.

2. Estimates based on the revised population benchmark using the 1995 Census of Population results.

NA - Data not available.

Source of data: National Statistics Office, Labor Force Survey.

The definition and measurement of unemployed persons in the Philippines differ with that of the ILO because it considered only two (2) out of the three (3) criteria recommended by the ILO. Specifically, it excludes the "availability" criterion and considered only the first and second criteria, namely: (1) a person must have no job/business and (2) must be actively seeking/looking for work.

Note that the ILO allows the partial relaxation of "seeking work" criterion to reflect labor market realities. For this reason, the measurement of unemployed persons also includes persons without job/business who during the reference week did not look for work because of the following: belief that no work is available, or due to temporary illness/disability, bad weather, pending job application or awaiting for job interview.

Starting July 2004, the NSO has included in its Press Release data series on unemployment that adopt the international standard definition as recommended by International Labor Office (ILO). This is to make

the country's unemployment statistics comparable with international definition by including the availability criterion.

Following are the highlights of for the October 2004 LFS series:

- As shown on Table 1, unemployment rate stood at 7.1 percent as compared to 6.5 percent a year ago. This corresponds to total unemployed persons of 2.443 million and 2.183 million, respectively.
- Labor force was estimated at 34.176 million, an increase of 1.3 percent (+440,000) from last year. The increase occurred despite the decline in labor force participation rate from 64.5 percent to 63.8 percent.
- The levels for other key indicators such as total household population 15 years old and over, employment and underemployment are the same with the statistics using the Philippine concepts.

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